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Making it stick:

A guide for establishing effective DEI infrastructure

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Diversity, Equity, and Inclusion (DEI) Disclaimer:

For the purposes of the Kellogg Foundation’s Expanding Equity Program, “DEI” refers to advancing opportunity and fairness for all people—of all identities, backgrounds, and experiences—to attract qualified talent and build an inclusive culture in organizations.

Introduction

Over the past several years, companies have increased their attention and focus on diversity, equity and inclusion (DEI). Between May 2020 to October 2022, Fortune 1000 companies pledged \$340 billion USD to DEI-related causes, and positions dedicated to DEI quadrupled between 2017 to 2022. Since many of these positions were new roles in their organization, these DEI leaders often lack the support system and infrastructure needed to make significant progress.

Having a weak **DEI Infrastructure** is a core reason many organizations struggle to sustain lasting change and progress toward DEI. Without clarity on roles and responsibilities for DEI or a method of progress monitoring and course correction, organizations may find themselves investing resources with limited and disjointed results.

DEI Infrastructure serves as the glue holding together the various aspects of an organization's DEI journey and strategy – from leaders to processes to the tools you use. This guide will help you answer the key questions for creating or changing your company's DEI infrastructure to better support your aspirations, strategy, ways of working and culture – to make them stick (Exhibit 1).

*In this guide, **DEI Infrastructure** refers to 1) the governing structures and 2) the change tools and processes (such as metrics and rewards) that ensure action and accountability and enable an organization to make progress on its DEI strategy.*

Exhibit 1 Questions this guide will help you consider

DEI governance structure <ul style="list-style-type: none">When is the appropriate time to transition to a more formalized approach?Which people/groups should be responsible for what?What are the most effective organizing bodies or coordinating mechanisms to execute your strategy?What factors can influence the structure and roles of your governing body (e.g., DEI aspiration, organizational structure)?	Change tools & processes <ul style="list-style-type: none">What tools and processes should you use to engage leaders and hold them accountable for DEI?Which qualitative and quantitative organization-wide metrics should you be tracking?What cadence should you use to track and report metrics?How do you ensure that collected data is used to inform changes to the strategy or execution?What rewards/recognition should you use to incentivize, role model and reinforce the desired behaviors?
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While this guide outlines the key steps to developing a company's DEI Infrastructure, this is just one of many factors in a robust, effective DEI strategy. The following factors, when integrated together, can make your DEI effort even more effective:

- Building an understanding of the DEI challenges and opportunities your organization faces*
- Clearly articulating DEI aspirations that are data-backed and align with business priorities and the identity of the organization*
- Establishing DEI organizational standards, principles and approaches*
- Selecting a prioritized set of DEI initiatives to implement or execute*
- Building organizational commitment to DEI and buy-in and engagement from senior leaders*

Please visit [ExpandingEquity.com](https://expandingequity.com) to learn more.

1. There are several terms used by organizations to identify their commitments and efforts to advance diversity, equity and inclusion (DEI or DE&I). Other examples include DEIB (diversity, equity, inclusion and belonging), D&I (diversity and inclusion) or JEDI (justice, equity, diversity and inclusion). The content in this guide should be useful for your organization's efforts, regardless of what term you use.

2. [McKinsey & Company, Corporate commitments to racial justice](#)

3. [McKinsey & Company, Unlocking the potential of chief diversity officers](#)

There is no one-size-fits-all approach to creating a DEI infrastructure. For some companies, this may look like formal structures with a council or committee. For others, it may look like keeping informal structures such as ERGs, but with changes to how they operate such as the metrics they monitor. Because of the unique approach that DEI requires, we will use the case of a fictitious company to illustrate the steps along the journey of establishing a DEI Infrastructure.

Our company, EE Corp, is based on common experiences faced by companies as they establish and refine their DEI Infrastructure. EE Corp's situation will help guide you through defining and adjusting your governance structure and creating tools and processes to sustain the change. As we progress through EE Corp's journey, we will also provide you with frameworks and thought starters that may be helpful in your organization's journey.

Let's get started.

EE Corp's background

EE Corp is a midsize apparel company, with its core brand being sustainable luxury socks made from orange fruit fiber. EE Corp operates across five regions in the U.S. and has grown rapidly in size during the past five years through a series of acquisitions of smaller companies with similar innovative fashion approaches.

Due to the company's recent rapid growth, DEI efforts have not been formalized or standardized across the company. In the past, DEI efforts happened across the different divisions on an ad hoc basis, driven by passionate leaders. This has made DEI efforts feel inconsistent to employees, which resulted in reduced collaboration and coordination across departments.

In recent years, EE Corp's central Human Resources (HR) team articulated an overarching DEI strategy, established a few enterprise-wide initiatives and created six organization-wide Employee Resource Groups (ERGs) that spanned across the legacy company and acquired companies/divisions.

Many recent efforts were driven by an HR staff member, Jill, who serves as a DEI Manager as part of her role, but other HR staff and passionate leaders across the company's divisions were spearheading their own DEI projects where they saw fit.

EE Corp recently hired a new CEO who is supportive of DEI efforts as one way to create and reinforce a culture of inclusion and belonging to attract and retain top talent. The CEO and CHRO (Chief Human Resources Officer) met to discuss how they might bring the bold aspirations for DEI across the organization to life in a consistent and coordinated way. To do this, they decided EE Corp should formalize its governance structure, and asked Jill to lead the effort.





With a lack of DEI progress, uncoordinated activities and changes to leadership, Jill faces three of four common challenges that many organizations face when implementing DEI efforts (Exhibit 2).

Helpful tip

A DEI Resource/Team could sit in a variety of places (e.g., HR, reporting directly to CEO), but the core requirements are that it has access to leadership, resources (funding and staffing) and aggregate data to further DEI efforts in the organization.

Exhibit 2

These common challenges with implementing DEI initiatives were identified by companies in the W.K. Kellogg Foundation's Expanding Equity network ([ExpandingEquity.com](https://expandingequity.com)). Each challenge offers an opportunity for an organization to adjust its approach to DEI governance structures.

Common challenges	Examples
 Continued lack of progress toward DEI goals	<ul style="list-style-type: none">• Organization is not seeing improvement in tracked DEI metrics over time• Analysis reveals that there are persistent gaps in critical DEI outcomes
 Insufficient alignment of resources across the organization	<ul style="list-style-type: none">• DEI team is consistently under-resourced and DEI challenges are bigger than expected• Resources are wasted because divisions do not coordinate initiatives or are reinventing similar policy documents that could be centrally created and stored
 Internal shifts in the organization	<ul style="list-style-type: none">• Organization is reorganizing to a heavier emphasis on functional expertise and has no formalized DEI function• Shift to the overall business, strategy or ways of working that requires a new approach to DEI (e.g., new strategic plan places a significant focus on DEI)• New CEO is passionate about improving the company's focus on DEI, especially after a recent equity audit• New role of Chief Diversity Officer (CDO) is hired with dedicated bandwidth for DEI
 External forces requiring change	<ul style="list-style-type: none">• Organization is struggling to attract and engage potential employees because they do not perceive the workplace as inclusive• Recent shift in employees' desire to better incorporate remote employees from across geographies• Board of directors or investors push for a change to the structure

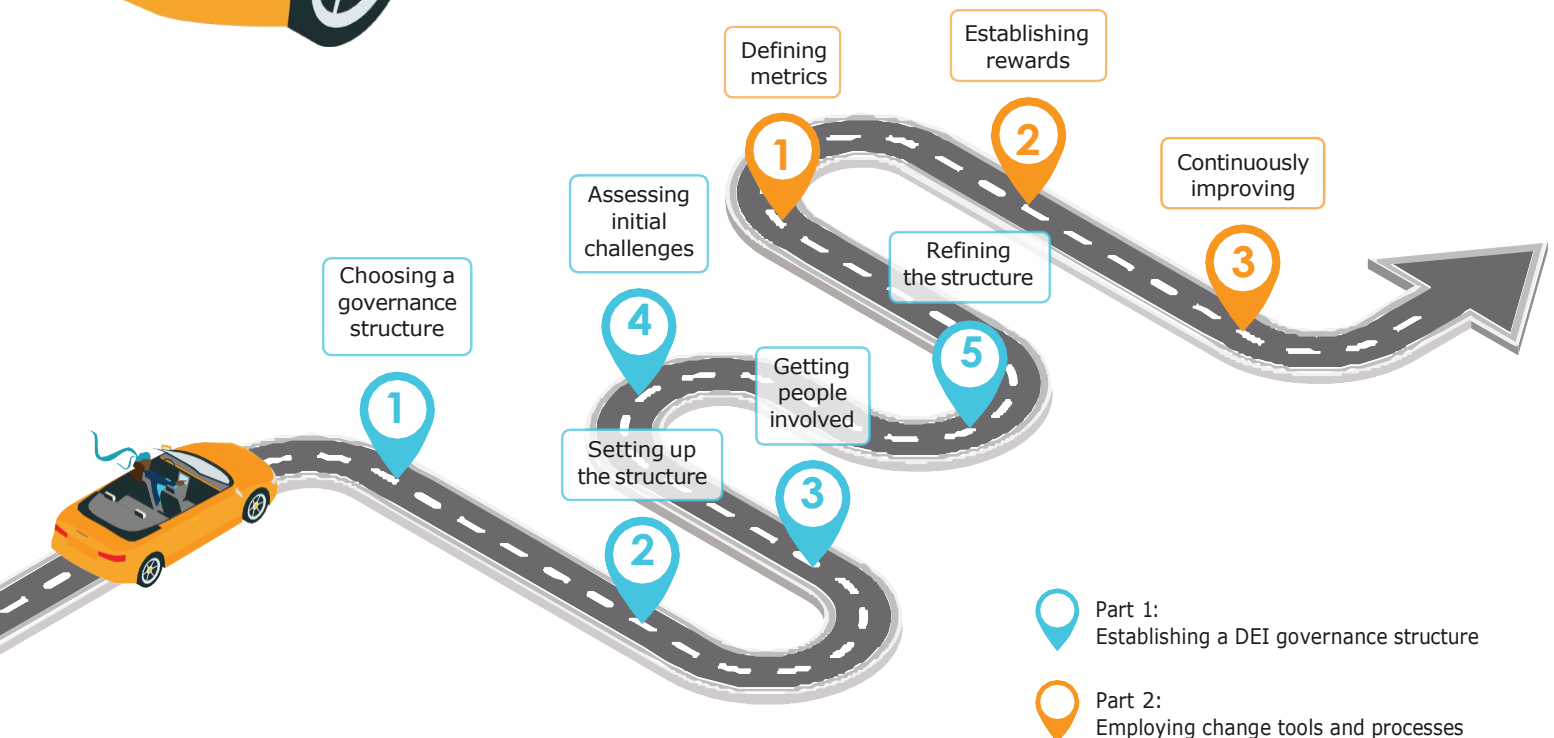
Source: Interviews with Expanding Equity network participants

Overview of Jill's Journey



Through the following sections, we will see how Jill defined and established a governance structure, recruited the best fit people to be involved and made refinements based on feedback. After that, we will see how Jill defined metrics for monitoring progress and established rewards to keep employees motivated.

Let's take you on her journey.



Part 1: Establishing a DEI governance structure

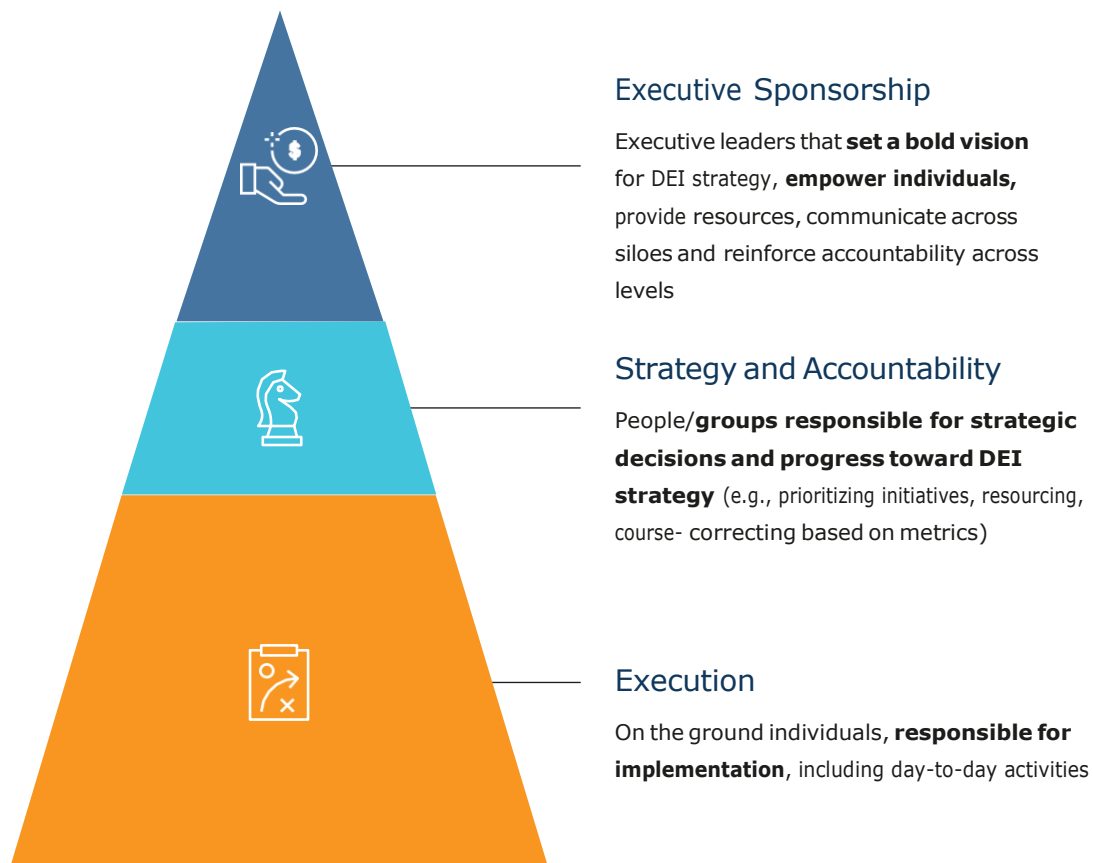
1. Choosing a governance structure

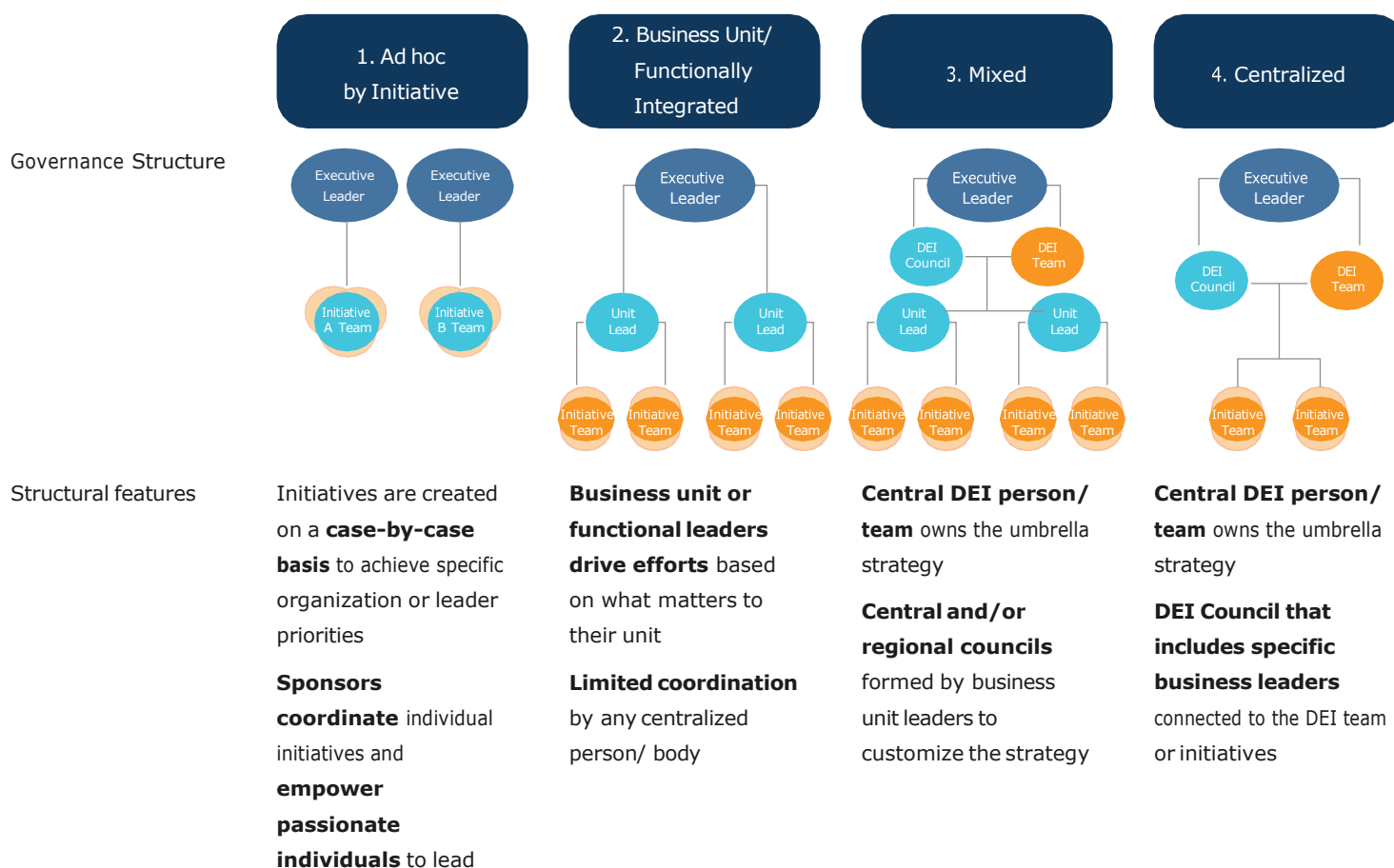
Knowing that there are multiple ways a company can define its governance structure, Jill considered ways that EE Corp's DEI Infrastructure could be organized.

She recognized that there are multiple roles that different groups or individuals might play, including sponsorship, strategy and accountability and execution. She wanted to pitch how EE Corp might organize these into a cohesive governance structure. To begin, she considered a list of four foundational DEI governance archetypes that are seen in many organizations, ranging from an ad hoc structure to a more centralized singular body (Exhibit 4).

Exhibit 4

Executive sponsorship, strategy and accountability and execution can be allocated based on any of the four foundational DEI governance archetypes





Companies may move between and customize these archetypes to fit their DEI strategies and where they are on their journey

Since EE Corp's previous ad hoc approach to DEI resulted in efforts being uncoordinated and unwieldy, Jill identified that a centralized approach (Archetype 4 in Exhibit 4) could improve coordination and clarity.

Because the organization already had Executive Sponsorship, a DEI Manager and several initiative teams, Jill wanted to better ensure that there was a clear source of strategy and accountability in a DEI Council. She believed that this would help to increase information sharing across divisions and better support coordination.

Jill pitched the new structure to her leaders, describing the current challenges EE Corp faced and how the Council would support DEI efforts. The CEO and CHRO were in favor, and so the work of formalizing a DEI Infrastructure had begun.

Helpful tip

Though Jill's challenges suggested a potential need to shift to a more centralized structure, none of these structures are inherently "better" than the others. The best structure for an organization is the one that best suits it. For more information on this, see page 11.

2. Setting up the governance structure, roles and responsibilities

Jill's first step was to set up a central **DEI Council** to serve as a convening body and help coordinate the organization's overall strategy.

She needed to define the role of the Council, including in the context of EE Corp's divisions. To do this, she considered how the various roles and responsibilities for DEI could be allocated in a centralized governance structure. The three sets of common roles and responsibilities involved in creating a DEI Governance structure (Execution, Strategy & Accountability and Executive Sponsorship) are often divided among different individuals/groups in an organization (Exhibit 5).

*A **DEI Council** is typically an organizing body that champions and cascades DEI vision, priorities and strategy across the organization, monitors progress and provides guidance on executive decision-making.*

Exhibit 5

Example of how common DEI roles and responsibilities might be split among various groups in an organization

	Description	Executive Sponsorship	Strategy & Accountability	Execution
Executive Leaders	Senior leaders (e.g., CEO, CDO, CHRO, division or functional leads)	Set a bold vision for DEI , sign-off on resources and provide ultimate decision-making authority	Empower groups and individuals with strategy development and accountability as necessary and possible	Remove roadblocks when delegated individuals are unable to
DEI Council	Executive council or advisory board with leaders from across the organization		Convene individuals from across the organization to define tactical strategy , advise on decisions about prioritization and resources and track metrics	
DEI Manager/ Team	Individuals dedicated to DEI as a core part of their role		Convene the DEI Council , provide direction for the overall strategy and support business units in tailoring their own strategies	Directly own or support the implementation of initiative teams , support organization-wide metric tracking
Employee Resource Groups	Employees from specific affinities organized to create community (e.g., race/ethnicity, gender or caregiving)		Communicate on behalf of members to key strategy decision-makers and support accountability	Directly own or support the implementation of initiative teams
Division/ Functional DEI Committees	Separate councils or committees at lower levels of the organization		Translate organization-level strategy to local or functional business units, tracking unit-level metrics	
Individual Initiative Teams	Teams that execute individual DEI initiatives		Self-govern where there is not a centralized DEI body	Execute the initiative plan

After considering some common roles and responsibilities and her desire to utilize a centralized governance structure, she articulated the roles of the Council as the following:

- Executive Sponsorship
 - » Council will host the meetings and coordinate other central DEI activities, sponsored by the CHRO and the DEI Manager
 - » Council will report to the CEO's Executive Cabinet and members will be nominated by them
- Strategy and Accountability
 - » Council will coordinate and oversee EE Corp's DEI activities by steering the overall strategy and sharing progress in different pockets of the organization
 - » Council members will represent all of EE Corp's divisions and translate central strategy to their divisions and teams
 - » Council will meet quarterly to discuss updates and progress

Jill took her initial perspective back to the CEO and CHRO, and they were both in agreement. The team decided the next step was to recruit the Council members.

3. Getting people involved and launching the structure

The CEO encouraged the CHRO to announce the structure at the next weekly cabinet meeting with senior leaders from across the organization. They decided to recruit both volunteers and nominations to:

1. Encourage the most passionate individuals to get involved; and
2. Show quick progress so the Council could get started as soon as possible.

During the meeting, the CHRO gave an overview of the structure and goals of the Council and asked the cabinet to help recruit volunteers. Over the next three weeks, the CHRO received nominations and volunteers, conducted informal interviews with each of the individuals and confirmed all individuals' participation. Jill was satisfied that the nominated individuals represented an inclusive cross-section of the organization, from a gender and race/ethnicity perspective.

The DEI Council composition ended up being four HR staff from multiple divisions across EE Corp, the CHRO, DEI Manager and the head of the company's Swimwear Division (Exhibit 6). Many of these individuals had previously led or been significantly involved with DEI efforts in their separate divisions.

Helpful tip

There are a few common mindsets you may have while you are defining who is involved in your structure. These may be true in any given situation, but you should investigate your initial thinking and biases against these to determine if you need to re-evaluate your approach. Mindsets to watch out for:

- "Moving now is better than spending too long to get the right people involved"
- "Passion or interest in the work is the most important factor" (when other factors such as position in the company are also relevant)
- "HR professionals are typically the people most knowledgeable about DEI topics so they should be defining the strategy"
- "Being familiar with the faces on the team will make the work more efficient."

Inaugural DEI Council

- CHRO
- Jill, DEI Manager
- Four HR staff
- Swimwear Division Head
- Watches & Accessories Division Operations Lead



Next, the CHRO led a three-day kick-off meeting with the new Council members.

During the kick-off, the Council discussed the following:

- The current state of DEI at EE Corp
- Reaffirmed the DEI aspirations set for each of their **DEI Pillars**
- Defined criteria for centralized approval of DEI initiatives
- The CEO and CHRO's plans to announce the Council and the output of the kick-off working sessions to all the division leads

The members of the new Council left the session feeling motivated and excited about the potential for improving and advancing DEI within EE Corp.

Helpful tip

Many organizations choose to set their DEI strategy anchored to overarching **DEI Pillars**. WKKF's Expanding Equity program utilizes the following four:

- **Attract:** Attracting top talent and assess the skills and qualifications of an individual, regardless of their background
- **Belong:** Creating workplaces where all employees feel valued, respected, and believe they can be successful
- **Promote:** Supporting the creation of opportunities where everyone has a fair shot to develop and succeed.
- **Influence:** Developing products and services that reflect and support the communities that organizations serve

4. Assessing initial governance challenges

Before the Council's next quarterly meeting, Jill wanted to know how the initial work of the Council was received. She engaged with employees across the organization through a series of surveys and small focus groups. This is what three leaders said:

HR leader on Council:

"Decision-making about DEI has felt slow and cumbersome after implementing the new governance structure. My division recently passed up an opportunity because we don't have a process for prioritizing initiatives in-between quarterly Council meetings. Normally, we would have launched it on our own, but it's been hard to get buy-in from my division lead, who insists that funding come from the central funds for DEI within the Council."

Watches & Accessories Division Executive not on Council:

"I assumed the Council was taking over DEI work instead of it happening in my division. Frankly, I haven't been tracking the various DEI initiatives by my staff because I thought that you all were taking that over."

Swimwear Division Executive on Council:

"Having this Council is going to be great. I've been meeting with my informal board for DEI within Swimwear to tweak the overarching strategy to serve my division and set specific goals around recruiting and inclusion. This has already helped us consider how our former initiatives are connected to the broader goals and to even stop an initiative that wasn't related. I know some of the other division leads haven't been as successful with this, but this is helping me coordinate my activities with those of EE Corp overall."

Helpful tip

One way to engage additional leaders in divisions that are harder to reach—the Watches & Accessories Division in the EE Corp example—is to implement a "DEI Champion Program." One company did this by recruiting around 50 champions, nominated by senior leadership from across their organization to be responsible for DEI within their units. Some other responsibilities of champions:

- Given access to a DEI certification training through an online program
- Required to complete a substantive DEI project within their organization

The challenge that the HR Leader mentioned is in part related to refining the Council's meeting cadence. There are several best practices for the cadence and topics to discuss within the council (Exhibit 7). These will vary depending on multiple factors, including your DEI goals and the structure that you choose.

Exhibit 7

Sample cadence and topics to discuss in DEI Council meetings

Discussion	Purpose	Suggested	People involved
 Strategic planning and feedback	Evaluate progress of portfolio of initiatives, make decisions around resourcing, share best practices	Every 1-2 months	DEI Council Other executive sponsors
 Initiative progress tracking	Track initiative-level progress against KPIs and adjust plans for implementation	Every 1-2 weeks	DEI initiative leaders Other relevant stakeholders
 Communicating DEI progress	Celebrate success and hold the organization accountable	Every quarter or at major milestones	DEI Council Other executive sponsors

Jill synthesized the mixture of constructive feedback to the CHRO in their next weekly meeting. They summarized what they heard:

- The **DEI maturity** of divisions differed greatly given the acquisition-driven nature of EE Corp's growth, as seen by the success in the Swimwear Division versus the others
- The organization's divisions were used to working with more autonomy to define their strategies
- It was clear that there were some leaders that were still not bought into the new structure, and not all of the necessary division leaders were involved

They realized they had moved too quickly from having no structure to having too much structure for their organization. Because there is not a one-size-fits-all solution, the DEI foundational governance archetypes Jill considered earlier needed to be further customized based on EE Corp's DEI aspirations, strategy and how it usually operates (Exhibit 8).

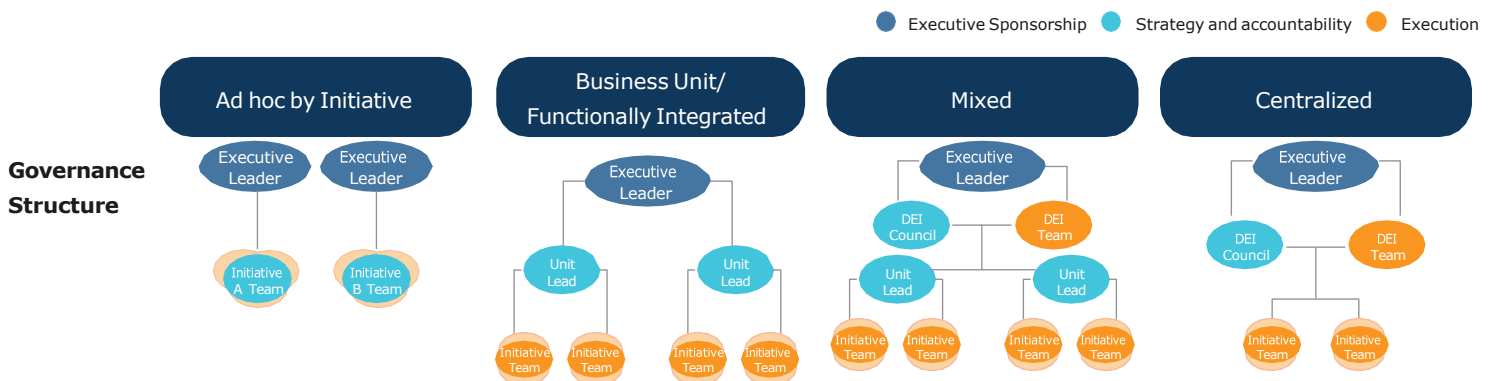
Helpful tip

What works for DEI is often what also works for your business at large. Some questions you may ask yourself about the way your business operates that can help you determine a suitable structure:

- How do we typically allocate decision-making rights?
- How do divisions or units typically collaborate with each other?
- How are leaders communicated with and held accountable?

Exhibit 8

Each of the DEI Governance Archetypes may be suited for some types of companies but can be customized to specific contexts



Types of companies it works for

Utilize a **project-based model** in day-to-day ways of working

Lean companies who move quickly with adaptable lines of authority and streamlined set of DEI objectives

Individuals are motivated about DEI and lean structure allows them to use **existing momentum**

Decision-making, budget and accountability typically **headed by functional leaders**

Teams often operate independently with low need for coordination

Business leaders are motivated, have enough DEI expertise and can be held accountable for KPIs alongside their other responsibilities

Regularly tailor or cascade central guidance to local (geography or division) context

Accountability lies both in regions and functions for implementation

Central DEI team understands the business enough to set feasible overarching strategy

Core functions are typically centralized (e.g., HR, IT)

DEI is a central part of the business strategy and **functions do not require dedicated resources for DEI**

The **central team has influence to implement initiatives** across the organization without formal support of division leaders

Potential barriers

Prioritization of initiatives becomes **dependent on employee motivation**

Lack of standardization may make **securing resources** confusing for employees or disconnected from organization goals

Leaders may not have the capacity, skills or buy-in

DEI efforts may **vary significantly** across the organization

Potential for **duplication of efforts**

Two-layered structure can make **approvals and resourcing** confusing for employees

Overlapping authority may make holding leaders accountable more difficult than other models

A central **strategy may not apply well** in all aspects of the business

Can be **difficult to secure buy-in of specific groups within the business if not deemed a business priority**

5. Refining the governance structure

With this feedback from employees, the CHRO and DEI Manager decided to refine their governance structure to better suit EE Corp’s situation. Jill thought through how EE Corp could adjust its governance structure by making three changes:

1.

Choosing a new structure
Shifting to a mixed structure including division-level committees
2.

Getting the appropriate people involved Involving additional key leaders directly in the Council
3.

Revising roles and responsibilities Ensuring a process for approving funding requests between Council meetings

Change	Rationale
Choosing a new structure: Shift to a mixed DEI governance structure (Archetype 3 in Exhibit 8) and create guidelines for division leaders to create division-level DEI committees	<ul style="list-style-type: none">• Address vastly different DEI maturity levels across divisions• Allow for broad guidance from Council about the overarching strategy• Allow divisions and leaders to apply tailored approaches given different starting points
Getting the appropriate people involved: Expand the Council by enlisting leaders of core business and operations functions that didn’t previously have representation on the Council (Exhibit 9)	<ul style="list-style-type: none">• Ensure that division leaders feel some autonomy over DEI to create sense of responsibility• Align with how divisions typically operate as semi-independent businesses• Increase likelihood that leaders are considerate of potential synergies with ongoing efforts• Demonstrate strength of EE Corp’s commitment to DEI to employees
Revising roles and responsibilities: Clarify the roles of division leaders as opposed to the Council and create a smaller subcommittee to act upon urgent requests when necessary	<ul style="list-style-type: none">• Ensure that leaders know their specific responsibilities and how those responsibilities connect to other people and groups in the organization• Allow for nimbler response to requests across the organization, given a quarterly meeting cadence

Helpful tip
If your business is larger or more complex, you may consider utilizing DEI Councils across levels. One large consumer electronics company utilizes multiple DEI Councils for each of their businesses and functions. Each of these councils has their own initiatives and report up to a larger centralized council. In that organization, the smaller councils allow employees in each part of the business to feel more ownership and connection to DEI efforts in their divisions. Additionally, this company has separate councils specifically for C-suite-level executives and the board of directors so that they are able to stay engaged and provide direct input on the direction of the company’s DEI strategy.

After making these adjustments, they decided to test them for a few more quarters to evaluate their effectiveness. The governance structure was set for now. Next, it would be time to employ **change tools and processes**.

In this article, **Change Tools and Processes** refers to all the additional supporting tools or procedures that enable a governance structure to work well, embed change & sustain momentum.

- CHRO
- Jill, DEI Manager
- Four HR staff
- Swimwear Division Head
- **Socks Division Lead (New Council Member)**
- **Shoes Division Lead (New Council Member)**
- Watches & Accessories Division Operations Lead



New Council Members

Part 2: Employing change tools and processes

1. Defining metrics

The governance structure began receiving positive feedback over the next few months from participating employees and leadership. Despite these changes, EE Corp was still not seeing many specific, tangible results. The CEO, CHRO and Jill wanted clear proof of progress. They decided to refine a critical measure that all organizations should use to track progress and sustain momentum: **metrics**.

*In this guide, we define **metrics** as measurements, quantitative or qualitative, that allow you to track progress, compare results across departments and communicate your progress toward your DEI goals.*

Choosing which metrics to track

Before the DEI Council had started, DEI metrics had been tracked ad hoc by each division based on what was important to them at the time. These were some of the challenges that Jill initially faced with choosing metrics:

- Jill was working with a collection of measurements in PPT, Word and Excel documents, which were difficult to track or monitor across divisions
- To be comprehensive and transparent, Jill initially attempted to collect and update metrics in a shared folder with all DEI metrics being measured across the organization
- This led to a list of over 50 metrics, ranging from representation by veteran status, disability status, race/ethnicity, gender and level, to supplier diversity spend to specific initiative KPIs
- However, when Jill brought these compiled metrics to the Council, it was unclear what many of them meant and how to prioritize and act upon them. Divisions were acting with different reference points and definitions

Because of this, the Council decided to define a set of organization-wide metrics in a centralized dashboard with the following actions:

- EE Corp used a **human-centered design** approach to create metrics that employees would feel connected to in all parts of the business
- Jill started by looking at a list of example metrics as inspiration (Exhibit 10)
- Jill also utilized the clear, pre-existing organization-wide goals for each pillar of their DEI Strategy (Attract, Belong, Promote and Influence)

***Human-centered design** is a problem-solving approach that aims to make processes and experiences usable and useful by focusing on the people, their needs and requirements. This starts with listening to their needs, prioritizing initiatives with their input and refining solutions based on their feedback. See [IDEO's Human-Centered Design Toolkit](#) for more information.*

- In the next Council meeting, Jill and the Council used these pillar goals to define metrics that would measure progress toward each pillar goal
- After this participatory process, they aligned on a set of 12 metrics that they would track consistently as a Council, three for each of the pillars of their DEI strategy
- They then had each Council member test these broader metrics within their own divisions to gather feedback on their connection to the overall DEI strategy. They made revisions and ensured that it was clear which leaders in each division would also be responsible for tracking those metrics

Exhibit 10

Examples of common metrics that many organizations use to track their DEI efforts

Common metrics		Example companies	
Attract	Hiring pipeline data and partnerships	Blackstone	Broadened the number of schools they recruit from to 44 in 2021 from 9 in 2015
	DEI training and experiential learning	Nike	45% of Vice Presidents received credentials in Inclusive Leadership Education
		Trinity Industries	80% of Senior Leadership Team participated in Inclusive Culture Workshop in 2022
	ERG participation rates	KKR	43% of global employees are affiliated with at least one ERG
Promote	Equal pay and pay equity	DICK'S Sporting Goods	Maintained a median gender pay ratio of 100%
Influence	External investment in DEI-related causes	Colgate-Palmolive	Increased financial support to organizations that advance civil rights by ~50% in 2022
	Spend with diverse suppliers	Boeing	Spent \$4 billion with diverse suppliers in 2021

Note: Organizations may wish to consult with legal counsel before determining what metrics should be tracked in their organization, and how information will be distributed and used, to ensure compliance with applicable laws in accordance with the organization's risk-tolerance profile.

Sources: [Blackstone 2021 D&I Report](#); [Nike DEI Impact Webpage](#); [Trinity Industries 2022 CSR Report](#); [KKR 2022 Sustainability Report](#); [DICK'S 2021 Sustainability Performance Summary](#); [Colgate-Palmolive 2022 DEI Report](#); [Boeing 2021 Annual Report](#)

Cascading metrics through the organization

Due to the previous variation between divisions on the metrics being evaluated, **Jill also wanted to connect metrics at the division level to the metrics at the organization level.**

Effectively cascading metrics improves accountability in the following ways:

- Allows you to be consistent in measurement and comparison across different parts of your organization
- Ensures that your goals are all being measured and tracked
- Supports alignment between initiative-level and executive-level goals

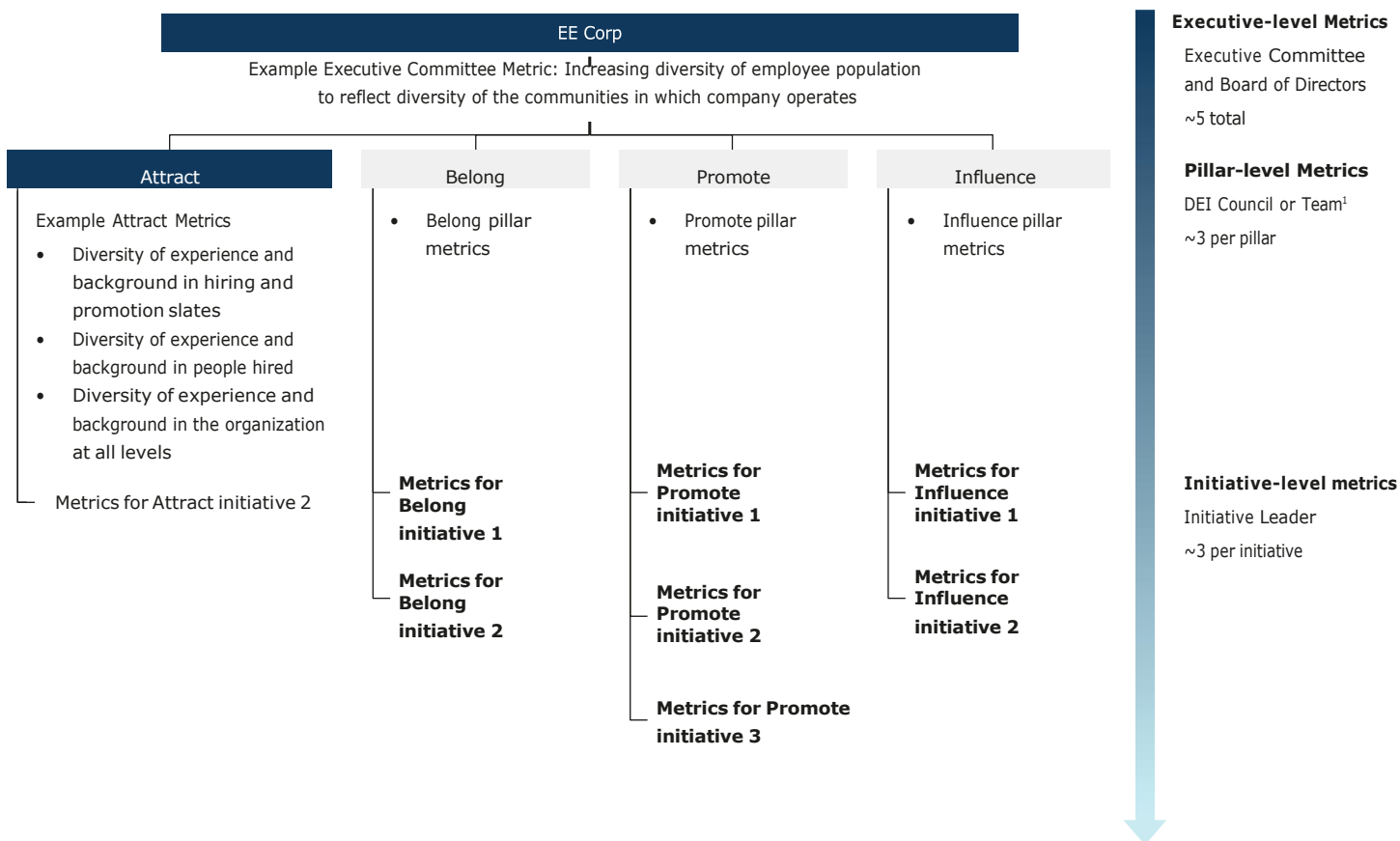
Helpful tip

Note that the approach to metrics will differ for every organization. Metrics should be reflective of the governance structure and ensure accountability for the most important outcomes to the strategy. Many organizations will track metrics for specific flagship initiatives at the Executive Committee or DEI Council level, depending on organizational and leadership priorities.

In addition to the metrics for each of the Pillars, they aligned with the CHRO on the most important metrics for the Executive Committee to review. They also ensured that all the initiatives had metrics that were connected to the strategy.

Exhibit 11

This example of metrics for EE Corp's Attract Pillar demonstrates how metrics can be cascaded across levels in an organization



1. The person or group responsible at this level may vary by company depending on who is responsible for strategy and accountability for DEI initiatives

In the example of the attract initiative, it was important to Jill not only to measure the number of individuals interviewed, but also to connect this measurement to the end goal outcome: increasing diversity of the employee population in the organization. As you can see in this example, the metrics are overlapping and connected with each other, which ensures alignment with the strategy at every level.

Over the course of weeks, Jill met with DEI Initiative leaders to clarify metrics at each level and help them ensure that their initiative-level metrics were aligned with EE Corp's organization-wide metrics.

Reporting and acting on metrics

Once they had developed the consolidated set of metrics and a dashboard for tracking, Jill implemented a method for putting the data to action.

During each Council meeting going forward, the dashboard of metrics was reviewed to highlight major shifts or discrepancies. This allowed leaders to benchmark themselves against other units, discuss roadblocks, identify gaps and develop action plans to resolve issues where additional work was needed.

The Council decided to report metrics out to the entire organization quarterly after DEI Council meetings to keep all staff updated on progress. At each Council meeting they began to prioritize high-impact metrics to report and encouraged division leaders to do the same.

Over the course of the next several quarters, the organization-wide metrics demonstrated positive trends aligned with each of EE Corp's strategic priorities. However, some pockets of the organization were still struggling. The CEO, CHRO and Jill were feeling optimistic about their work to develop strong DEI Infrastructure in EE Corp, but they needed to go one step further and considered implementing rewards and recognition to help drive and sustain progress against their DEI priorities.

Helpful tip

For more advanced organizations, the DEI Council may help guide divisions to focus on certain metrics that are the most relevant to them. For example, one division may be in a hypergrowth stage and thus the DEI Council may ask this unit to focus more heavily on reforming inequitable recruitment practices.

2. Establishing rewards and recognition

In addition to tracking metrics, rewards and recognition are another critical tool to reinforce DEI governance and accountability within an organization.

In addition to metrics revealing certain pockets of the organization that were struggling, Jill also noticed that she had spent a significant amount of her time managing and supporting the DEI efforts of specific divisions.

Jill has conversations with division leaders and hears two conversations that were illuminating:

Middle manager:

"I care so much about the people on my team and want to give more to DEI, but it's not really what I'm measured against. In the past when I've contributed, it hasn't been appreciated by the company."

Rewards and recognition are just one way to reinforce change. In your organization, you may discover that people are extremely motivated for DEI, but they may not have the skills or role modeling from leaders to act with the desired behaviors. In that case, spend more time coaching leaders and finding training opportunities to help fill any gaps.

Division leader

"DEI is really HR's job, right? I'm honestly managing too many other projects at once, and we have other priorities in my division that have to come first if we want to get them done. At the end of the day, financial performance is what matters most, and it's what I've seen people get promoted for."

Thinking through potential rewards

After these conversations, Jill wanted to brainstorm some ways that employees could be recognized for leading or supporting DEI efforts. Before thinking of ways to reward employees, it is helpful to understand what they value the most. Jill used conversations with employees and a list of reflective questions to kickstart her brainstorming process (Exhibit 12).

Exhibit 12

There are several questions you can ask to reveal the types of rewards people value the most in your organization

1 When thinking about rewards and recognition, what rewards come to mind?

- Do performance ratings come to mind? Exposure to better opportunities? Direct thank you letters from the CEO?

4 What do the previous questions reveal about what people in the organization value?

- Do people value risk-taking? Cross-functional collaboration? Smaller gestures or bigger ones?

2 What are these rewards for and who gets them?

- Are people typically rewarded for performance, strong day-to-day contributions or leading a transformative initiative?

5 What actions could align DEI rewards to the organization's typical ways of working?

- What sorts of rewards could be offered to elevate DEI success to the same level as other business processes?
- How could the organization reward DEI in a way that aligns with the values?

3 Which rewards do people value the most?

- Do employees talk more about the award at an annual holiday party or getting to grab lunch with a beloved senior leader?

After Jill walked through the questions in Exhibit 14, she had two takeaways that informed her approach to establishing rewards and recognition:

- Employees and leaders who work hard to create more inclusive workplaces value recognition in the formal review process. Creating a strong performance management process was a core priority a few years prior, and it had been useful to nudge employees to collaborate more across divisions in the past
- Employees are extremely attuned to feedback from leaders and supervisors. They also get excited about an End of Year Awards Banquet and other small forms of recognition. For example, the CEO calls the highest performing members of each division each month directly to thank them

With this information and a list of potential rewards she could use to brainstorm (Exhibit 13), Jill crafted new forms of recognition she thought could be useful to embed DEI as a priority across the organization.

Exhibit 13

Thought-starter incentives to brainstorm potential rewards

Type of reward or recognition	Examples
Have senior leaders give highly visible recognition for participation in DEI activities	CEO celebrates leaders of the Veteran ERG in an email after hosting a major internal event
Establish annual awards for DEI that are given during an all-staff ceremony	Reward division leader with the greatest improvement in representation during holiday party
Provide additional professional development opportunities to individuals that participate in DEI initiatives or committees	Offer members of DEI Council a discretionary budget for inclusive leadership training
Establish a designation or certification to recognize special skills	Create “Inclusion Champion” badge on intranet for top 10% of colleagues rated for inclusion in performance evaluations
Recognize DEI as a real skill and maintain a list of the organization’s most active participants	Share a list with leaders for special projects or when requesting input to shape major organization changes
Incorporate elements of inclusion or inclusive leadership into performance review process	Add a dimension of your leadership competency model that is focused on inclusive leadership practices

The two new forms of recognition Jill came up with were:

1. **Incorporating inclusive leadership as a core part of all leaders’ performance evaluations.** This new dimension of the evaluation framework would be counted as an equal weight to the other elements focused on performance. Jill hoped this would structurally embed aspects of DEI into all parts of review culture
2. **Publicly recognizing core DEI leaders of ERGs and the DEI Council.** To do this, every quarter, the DEI Council selects three individuals that will be celebrated in EE Corp’s town hall, newsletter and in a thank you note from their direct supervisor. Additionally, at the end of the year, one of the employees selected throughout the year will be recognized as the DEI Champion of the Year

Implementing the rewards

To ensure that these rewards had enough staying power, Jill pitched the new rewards to the Council, and she encouraged the CHRO and CEO to jointly build buy-in for the change among senior leaders, incorporate these rewards into the daily working practices and cascade these efforts throughout all parts of the business. With these goals in mind, the team took the following steps:

Performance evaluations:

- Spent several weeks defining how they would integrate inclusive leadership as an element of their evaluation framework
- To build buy-in, the CHRO and CEO stepped in at several points to persuade leaders, including by sharing a draft of the new framework with senior division leaders for feedback and holding one-on-one discussions with leaders who expressed concerns
- Over the course of the next two quarters, they employed an initiative pilot, utilizing the new framework for reviews
- The CEO encouraged division leaders to discuss and clarify elements of the framework with their direct reports to cascade the change throughout all levels
- A year later, they saw inclusion scores shifting on teams where leaders had previously not seen DEI as a strong priority

Public recognition:

- The Council started by building criteria for nominees to be recognized, sharing the criteria with the broader organization and integrating a question into the company's weekly pulse survey to source nominations from across all levels of the company
- During the next quarterly meeting, the Council reviewed nominations from the survey and voted to select individuals that would be recognized over the course of the next quarter
- These selected individuals were spotlighted in quarterly newsletters and celebrated by the CEO during EE Corp's town halls
- Over the next two quarters, the DEI Council brainstormed additional ways to recognize these people including through spotlights on their intranet and within their company Slack channels
- This form of recognition became ingrained in company operations, and individuals looked forward to celebrating their colleagues. When the End of Year Awards Banquet arrived, the DEI Champion award was as coveted as any of the performance awards

Jill continued to hear positive comments from individuals speaking about the recognition their peers received for DEI, celebrating each other more and talking about DEI related achievements.

3. Continuously improving

Over the next several quarters, EE Corp continued to see positive progress, not only among employee satisfaction with the way EE Corp handled DEI, but also in concrete metrics.

Jill, the CHRO and the CEO were all extremely pleased with the way that the governance structure developed. It was clear that they needed to continually adapt the structure and tools to suit the circumstances at hand and build buy-in across all levels of leadership.

Their journey will continue to evolve. As EE Corp continues to develop and become more mature, it may choose to refine its DEI Infrastructure to better suit its needs in the next horizon through new sub-committees, cadences, norms, or reinforcement mechanisms. Having an established and intentional DEI Infrastructure will help EE Corp pursue its DEI goals as it grows and adapts and ultimately to achieve more diversity, equity and inclusion across the organization.

